

SIZA AUDIT GUIDANCE FOR MEMBERS DURING THE COVID-19 PANDEMIC

1. INTRODUCTION

The recent outbreak of the COVID-19 pandemic has become an increasingly challenging situation, which has impacted all business operations. SIZA recognises that this is a developing situation, and the protection of people living and working on farms and within agriculture is paramount. Due to President Cyril Ramaphosa's declaration, SIZA has a responsibility to ensure members, buyers, and other stakeholders are protected and adhere to new regulations set by the South African Government. South Africa and its citizens will be on lock down from Friday, March 27th 2020, until 16 April 2020.

As a control measure, SIZA, along with its relevant stakeholders and contingency committees, understands the effect that this new regulation will have on all businesses, citizens, and relevant role-players around the world. It is therefore important that all parties involved practice understanding during this time and allow for the necessary regulations to be implemented.

This document seeks to provide suppliers and audit firms with:

- Guidance and clarity on managing the audit process; and
- Obtaining an extension on the current audit validity to bridge the pandemic period.

2. SIZA THIRD-PARTY SOCIAL (ETHICAL) AUDITS

Agriculture and everyone related to food production can continue with their operations to ensure food sustainability during this period. Rules and regulations pertaining to the validity of onsite audits will continue to apply and will in no way be disregarded. However, each audit company has put measures in place to ensure that audits can be scheduled during this time as per SIZA's emergency procedures, while still adhering to the SIZA Audit Process and Methodology (APM). This will result in audits being conducted in two parts over a period of time. The 1st part of the audit will be a remote audit review of 50% of the

normal checklist; and the 2nd part will be a follow-up on-site visit to review the other 50% of the checklist once this emergency period is over.

2.1 Remote Audit Review (50%)

The process will be as follows:

- The scheduling process will be exactly be the same as always: The SIZA member will have to request to be audited via the SIZA platform by choosing the audit option and the audit firm of choice. This can only happen if the auditee has an up to date approved Self-Assessment Questionnaire (SAQ).
- The audit company will be in contact with the farm and they will manage the scheduling process and schedule a date on the platform to conduct the remote review; another date will be arranged for the follow-up site visit once this pandemic period is over;
- After the remote audit has been conducted, the audit *will remain in progress* and the site will receive a report containing the non-conformances; This is a provisional CAPS report which can only be finalised once the follow-up, on-site visit was conducted.
- The site will then upload the corrective actions on the platform as usual. Once the corrective actions have been completed by the farm, the auditor will *provisionally approve* the corrective actions after which SIZA will be notified to issue an extension letter to bridge this period. The extension will be considered from the previous audit expiry date.

2.2 On-site (follow up) audit (50%)

- The on-site verification will be the second part (50%) of the audit process to ensure all aspects of the SIZA Social Audit Process and Methodology are adhered to. This will be done once the COVID-19 pandemic is over. This will allow auditors to complete the audit in full by conducting the required site survey, employee and management interviews, relevant closing meetings, and corrective action plan discussions.
- The rules and measures implemented by each audit company must be adhered to and will be communicated *between the audit company and each individual site during audit scheduling*.
- *Once the follow-up on-site visit has been completed*, the site will then upload the additional corrective actions on the platform as usual. Once the corrective actions are completed, the auditor can approve and sign off on the corrective actions and the Audit Completion Letter will be

automatically generated according to the SIZA Social Audit Matrix, on the *MySIZA* Platform, calculated from the date of the remote audit.

3. EXTENSION PERIOD

- Extension periods are allocated entirely at the discretion of SIZA and is not a right to all members as a result of the remote review.
- Consideration and approval of applications will be subjected and influenced by the member's status (Bronze, Platinum etc.) and the audit history.
- Extension periods cannot be used to push the audit date forward. The sole purpose of this process is to accommodate the difficult period of COVID-19 pandemic.
- The validity of the previous Audit Completion Letter can be extended for no longer than 6 months after the new audit has been done, in the event that the application and the remote audit are approved by SIZA.
- If an extension letter has been issued and the member fails to conclude the audit corrections and the follow-up audit in the given timeframes, there will be consequences and the site will be penalised.
- Consequences of failing to complete the audit corrections will include the following:
 - In the first year after the initial audit, all outstanding non-compliances will be transferred to the next audit, which can relate into a critical finding if non-compliances are carried over.
 - If this happens repeatedly for two years in a row, it will not be possible to schedule an audit until all corrective actions are adequately implemented and closed out by the auditor.
- The Extension Letter will have no effect on the audit date or the validation date of the latest/new Audit Completion Letter which will be calculated from the date that the remote audit was done.

3.1 Third-party Audit Companies

SIZA will continue to offer members the choice between the current approved audit companies. Each company has put measures in place to ensure remote audits will be viable. Members need to ensure that they adhere to these rules and measures.

3.2 Online Viability & Security

Auditees must make sure that a secure online resource is available in order for auditors to access electronic data safely and reliably. Applicants will only be able to have remote audits conducted if adequate internet resources are available, video-conferencing facilities are installed, and staff are

available to assist the auditor with the necessary documents. Auditees should contact a SIZA-approved audit company and attain confirmation that the remote audit will be possible before continuing the process.

3.3 Receive Buyer Approval

In the event that any auditee/business believes that a remote audit will be necessary, the business will have to ensure their market/buyer will accept the validity of a remote/online verification as part of the full third-party audit, prior to continuing with the process. *While every attempt is being made to assure retailer buy-in for the SIZA programme, members are urged to verify with their relevant buyers to confirm their audit requirements during this time. SIZA cannot override the requirements of buyers.* It is important to note that SEDEX does not allow remote audits. Therefore, as the supplier, you need to clarify with your buyers before you apply for an audit to be partially conducted remotely.

4. CONCLUSION

We are acutely aware of the significant impact that COVID-19 may have on us and our surroundings and therefore we ask everyone to act in a socially responsible manner during this period. To help prevent the spread of the disease, we encourage staff, members, auditors, and relevant stakeholders to adhere to safety procedures and measures in order to protect yourself and those you interact with.

SIZA will meet regularly with relevant contingency committees to ensure all the interests of parties involved are considered and protected. During this process, all parties are expected to maintain the integrity of the SIZA programme.

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